

**James H. Miller**  
Chairman, President and  
Chief Executive Officer

**PPL Corporation**  
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April 29, 2010

Dear PPL Shareowner,

I'm very pleased to tell you about PPL's agreement to acquire E.ON U.S., the parent company of Kentucky's two major utilities, Louisville Gas & Electric Company and Kentucky Utilities Company. These high-performing Kentucky utilities serve 1.2 million customers.

This acquisition will transform PPL into a more geographically diverse utility holding company with combined annual revenues of about \$10 billion, serving nearly 5 million electricity customers in the United States and the United Kingdom, and owning or controlling about 20,000 megawatts of U.S. electricity generating capacity.

We are taking advantage of a rare opportunity to add to PPL the experience, talent and values of an organization with a proven track record of cost-effective operations, a strong focus on customer service and constructive regulatory relationships. Clearly, for PPL and its shareowners, this is the right deal at the right time.

The transaction is expected to close by the end of this year. It requires approvals by state regulators in Kentucky, Virginia and Tennessee, and by the Federal Energy Regulatory Commission. The acquisition has been approved by the PPL board of directors and does not require separate shareowner approval.

PPL is acquiring E.ON U.S. for \$7.625 billion but will receive tax benefits with a present value of about \$450 million as part of the transaction. Taking into account the tax benefits, the effective purchase price is \$7.175 billion. PPL has committed bridge financing in place from Bank of America Merrill Lynch and Credit Suisse to complete the purchase, if needed, but we have a permanent financing plan to be implemented before closing that will include a combination of common equity, Kentucky utility first mortgage bonds, Kentucky holding company bonds, high-equity-content securities and cash on hand. Proceeds from the sale of non-core assets may also be explored as a potential to fund a portion of the transaction.

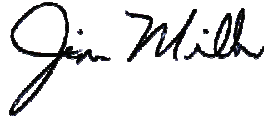
With this acquisition, we also are expanding the PPL generation fleet. Kentucky is a state with traditional utility regulation. The well-run and high-performing power plants we are acquiring are part of the rate base, meaning that generation costs — including the cost of fuel and environmental controls — are recovered in the electric rates paid by customers.

Bringing these highly regarded Kentucky utilities into PPL delivers important benefits to customers and shareowners. It will create a stronger, more diversified enterprise with increased earnings visibility, a stronger credit profile, improved growth opportunities, greater access to capital and enhanced opportunities to share best utility

practices. With this transaction, we are growing the size of our enterprise with regulated businesses, without giving up the potential earnings growth from our supply business segment.

Simply put, I believe this transaction provides excellent value for PPL's shareowners and will reward your continued confidence in us. We have established a Web site, [www.pplweb.com/kentucky](http://www.pplweb.com/kentucky), where you can get more information about the transaction.

Sincerely,

A handwritten signature in black ink that reads "Jim Miller". The signature is written in a cursive style with a large, looped "J" and "M".

Jim Miller